

SENATE BILL No. 177

DIGEST OF INTRODUCED BILL

Citations Affected: IC 7.1-3.

Synopsis: Containers and residency. Prohibits the alcohol and tobacco commission from issuing a beer dealer's permit to a package liquor store unless the proprietor of the package liquor store satisfies Indiana resident ownership requirements. Amends the ownership residency requirements for the issuance of an alcoholic beverage dealer's permit to a corporation, limited partnership, or limited liability company for the premises of a package liquor store. Allows the refilling of a bottle or container with hard cider in an establishment that manufactures hard cider. Allows hotel and restaurant holders of a retailer's permit to temporarily amend floor plans to use a banquet or gathering space to sell or dispense alcoholic beverages from a temporary bar or service bar.

Effective: Upon passage; July 1, 2016.

Messmer, Arnold J, Alting

January 6, 2016, read first time and referred to Committee on Public Policy.



Second Regular Session 119th General Assembly (2016)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2015 Regular Session of the General Assembly.

SENATE BILL No. 177

A BILL FOR AN ACT to amend the Indiana Code concerning alcohol and tobacco.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 7.1-3-5-2 IS AMENDED TO READ AS
2 FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 2. **(a) As used in**
3 **this section, "proprietor of a package liquor store" means the**
4 **person that:**

- 5 **(1) holds the primary financial investment in; and**
6 **(2) exercises the primary financial and operational oversight**
7 **of;**

8 **a package liquor store.**

9 ~~(a)~~ **(b)** The commission may issue a beer dealer's permit only to an
10 applicant who is the proprietor of a drug store, grocery store, or
11 package liquor store.

12 ~~(b)~~ **(c)** **Subject to subsection (d)**, the commission may issue a beer
13 dealer's permit to an applicant that is a foreign corporation if:

- 14 (1) the applicant is duly admitted to do business in Indiana;
15 (2) the sale of beer is within the applicant's corporate powers; and
16 (3) the applicant is otherwise qualified under this title.

17 **(d) The commission may issue a beer dealer's permit under**



1 subsection (c) for the premises of a package liquor store only if the
 2 proprietor of the package liquor store satisfies the Indiana resident
 3 ownership requirements described in IC 7.1-3-21-5(b).

4 (c) (e) The commission shall not issue a beer dealer's permit to a
 5 person who is disqualified under the special disqualifications.
 6 However, the special disqualification listed in IC 7.1-3-4-2(a)(13) shall
 7 not apply to an applicant for a beer dealer's permit.

8 (d) (f) Notwithstanding subsection (a), (b), the commission may
 9 renew a beer dealer's permit for an applicant who:

10 (1) held a permit before July 1, 1997; and

11 (2) is the proprietor of a confectionery or a store that:

12 (A) is not a drug store, grocery store, or package liquor store;

13 (B) is in good repute; and

14 (C) in the judgment of the commission, deals in merchandise
 15 that is not incompatible with the sale of beer.

16 SECTION 2. IC 7.1-3-20-17.5 IS ADDED TO THE INDIANA
 17 CODE AS A NEW SECTION TO READ AS FOLLOWS
 18 [EFFECTIVE JULY 1, 2016]: **Sec. 17.5. (a) As used in this section,**
 19 **"banquet or gathering space" means a room or space in which**
 20 **social events are hosted that is located on the licensed premises of**
 21 **a hotel or restaurant.**

22 (b) As used in this section, "social event" means a party,
 23 banquet, wedding or other reception, or any other social event.

24 (c) Subject to subsection (d), the holder of a retailer's permit
 25 issued for the premises of a hotel or restaurant that has a banquet
 26 or gathering space without a permanent bar over which alcoholic
 27 beverages may be sold or dispensed may temporarily amend the
 28 floor plans of the licensed premises to use the banquet or gathering
 29 space to sell or dispense alcoholic beverages from a temporary bar
 30 or service bar in the banquet or gathering space.

31 (d) The holder of a retailer's permit shall notify and submit the
 32 amended floor plans described in subsection (c) to the commission
 33 not later than twenty-four (24) hours before the date the holder
 34 intends to sell or dispense alcoholic beverages from a temporary
 35 bar or service bar.

36 (e) A holder of a retailer's permit who intends to sell or dispense
 37 alcoholic beverages from a temporary bar or service bar as
 38 described in this section remains subject to laws and rules
 39 requiring that the area in which minors are allowed be separate
 40 from the room or area in which the bar is located.

41 SECTION 3. IC 7.1-3-21-5, AS AMENDED BY P.L.107-2015,
 42 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



UPON PASSAGE]: Sec. 5. (a) The commission shall not issue an alcoholic beverage:

(1) retailer's **permit**; or

(2) dealer's permit **for the premises of a grocery store or drug store**;

of any type to a corporation unless sixty percent (60%) of the outstanding common stock is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue an alcoholic beverage dealer's permit of any type for the premises of a package liquor store to a corporation unless:

(1) sixty percent (60%) of the outstanding stock in the corporation is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years; and

(2) the stock described in subdivision (1) constitutes a controlling interest in the corporation.

~~(b)~~ (c) Each officer and stockholder of a corporation shall possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 4. IC 7.1-3-21-5.2, AS AMENDED BY P.L.107-2015, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 5.2. (a) The commission shall not issue an alcoholic beverage:

(1) retailer's **permit**; or

(2) dealer's permit **for the premises of a grocery store or drug store**;

of any type to a limited partnership unless at least sixty percent (60%) of the partnership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue an alcoholic beverage dealer's permit of any type for the premises of a package liquor store to a limited partnership unless:

(1) sixty percent (60%) of the partnership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years; and

(2) the partnership interest described in subdivision (1) constitutes a controlling interest in the limited partnership.

~~(b)~~ (c) Each general partner and limited partner of a limited partnership must possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 5. IC 7.1-3-21-5.4, AS AMENDED BY P.L.107-2015, SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE



UPON PASSAGE]: Sec. 5.4. (a) The commission shall not issue an alcoholic beverage:

(1) retailer's **permit**; or

(2) dealer's permit **for the premises of a grocery store or drug store**;

of any type to a limited liability company unless at least sixty percent (60%) of the membership interest is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years.

(b) The commission shall not issue an alcoholic beverage dealer's permit of any type for the premises of a package liquor store to a limited liability company unless:

(1) sixty percent (60%) of the outstanding membership interest in the limited liability company is owned by persons who have been continuous and bona fide residents of Indiana for five (5) years; and

(2) the membership interest described in subdivision (1) constitutes a controlling interest in the limited partnership.

~~(b)~~ (c) Each manager and member of a limited liability company must possess all other qualifications required of an individual applicant for that particular type of permit.

SECTION 6. IC 7.1-5-3-4, AS AMENDED BY P.L.79-2015, SECTION 11, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2016]: Sec. 4. (a) This section does not apply to the following:

(1) The necessary refilling of a container by a person holding a permit that authorizes the person to manufacture, rectify, or bottle liquor.

(2) An establishment where alcoholic beverages are sold that is owned, in whole or part, by an entity that holds a brewer's permit ~~issued under IC 7.1-3-2-2(b).~~ **for a brewery described in IC 7.1-3-2-7(5).**

(3) An establishment where alcoholic beverages are sold that is owned, in whole or part, by a statewide trade organization consisting of members, each of whom holds a brewer's permit issued under IC 7.1-3-2-2(b).

(4) The refilling of a bottle or container or possession of a refilled bottle or container if the refilling or possession is not for resale or another commercial purpose.

(5) The refilling of a bottle or container with hard cider in an establishment where alcoholic beverages are sold that is owned, in whole or in part, by an entity that manufactures hard cider under the appropriate permit issued under this title.



- 1 (b) Except as provided in section 6 of this chapter, it is unlawful for
2 a person to:
- 3 (1) refill a bottle or container, in whole or in part, with an
4 alcoholic beverage; or
- 5 (2) knowingly possess a bottle or container that has been refilled,
6 in whole or in part, with an alcoholic beverage;
7 after the container of liquor has been emptied in whole or in part.
- 8 (c) A person who knowingly or intentionally violates subsection (a)
9 or (b) commits a Class B misdemeanor.
- 10 **SECTION 7. An emergency is declared for this act.**

